



Wisconsin State Senate

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**Testimony of Senator John Lehman  
Senate Bill 560**

**Senate Committee on Small Business, Emergency Preparedness, Technical  
Colleges and Consumer Protection  
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Thank you, Chair Wirth and members of the Small Business, Emergency Preparedness, Technical Colleges and Consumer Protection for holding today's hearing on Senate Bill 560, the Forthright Advertising - Instant Rebate Act (FAIR).

As you know, this bill simply says that the advertised price is the price you pay at the point of purchase. The bill does not prohibit offering consumers rebates on purchases. But if the advertised price includes a rebate, that rebate must be provided to the consumer immediately – not two or three months later if you correctly fill out a form, submit the original receipt, clip the UPC and mail all these items to a rebate processing firm.

Complicated claim procedures, misleading advertising, long waits for payments or outright denials of rebates on purchases are a continuing source of consumer confusion and frustration. According to the Federal Trade Commission roughly 400 million rebates are offered each year and industry figures reveal between forty and sixty percent are never redeemed. The result is millions of customers paying more than the advertised price for goods and services.

Based in part on consumer frustration and complaints, it has been reported that several large retailers and manufacturers including BestBuy, Office Max and Dell have stopped offering rebates altogether. Lawsuits and consumer protection enforcement actions have been necessary in many cases to get consumers the rebates they were due. In Wisconsin, the Department of Agriculture Trade and Consumer Protection has handled over 400 rebate related complaints in 3 years.

Many states are taking action to protect consumers. Connecticut and Rhode Island have enacted, California and Texas legislatures passed (but their governors vetoed), and other states including New York, New Jersey and Maryland have considered laws to crack down on rebate abuse.

I want to make sure Wisconsin consumers pay the price that they were advertised on their purchases. Requiring rebates to be provided directly to the consumer when they make a purchase will allow manufacturers and retailers to continue to use this tool to market their goods and help make sure the price advertised is the price paid.

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